

Message Text

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ACTION ARA-14

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UNCLAS PANAMA 8160

EO 11652: N/A
TAGS: CU, EFIN, PN
SUBJECT: NATIONAL BANK OF CUBA

1. LOCAL PRESS HAS ANNOUNCED THAT A BRANCH OF THE NATIONAL BANK OF CUBA WILL COMMENCE OPERATIONS IN PANAMA DURING THE MONTH OF NOVEMBER. THE BANK OFFICES ARE IN THE PACIFIC-ATLANTIC BANK BUILDING WHICH IS LOCATED AT 51ST STREET AND FREDERICO BOYD AVENUE, PANAMA CITY. THE NEW BANK WILL OPERATE UNDER A CLASS III, LICENSE OF REPRESENTATION, WHICH LIMITS IT TO ESTABLISHING REPRESENTATIVE OFFICES IN PANAMA. WE UNDERSTAND THAT THE BANK'S MAIN FUNCTION WILL BE TO PROCESS THE FINANCIAL TRANSACTIONS OF THE CUBAN GOVERNMENT IN PANAMA, AND TO EXCHANGE CUBAN PESOS INTO U.S. CURRENCY.

2. THE MINISTER PRESIDENT OF THE NATIONAL BANK OF CUBA, RAUL LEON TORRAS, HAS ARRIVED IN PANAMA FOR THE DEDICATION OF THE NEW BRANCH BANK. IN AN INTERVIEW WITH THE PRESS, LEON INDICATED THAT THE NEW BANK WILL CONTRIBUTE TO THE BROADENING OF RELATIONS THAT THE NATIONAL BANK OF CUBA HAS WITH SEVERAL BANKING INSTITUTIONS IN THE HEMISPHERE. HE ALSO POINTED OUT THAT IN THE PAST FEW YEARS PANAMA HAS BECOME AN IMPORTANT FINANCIAL CENTER.

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3. COMMENT: THE ESTABLISHMENT OF A CUBAN BANK IN PANAMA APPEARS TO BE A LOGICAL STEP, CONSIDERING THE SIGNIFICANT VOLUME OF BUSINESS, PRINCIPAL PURCHASING, DONE BY CUBA IN THE COLON FREE ZONE IN PANAMA. PERHAPS MORE IMPORTANT IS THE OPPORTUNITY FOR CUBA TO PARTICIPATE IN A RAPIDLY GROWING INTERNATIONAL BANKING COMMUNITY WITHIN A COUNTRY WITH WHICH RELATIONS MAY AT LEAST BE DESCRIBED AS CORRECT.

WE BELIEVE THE CUBAN GOVERNMENT MAY TAKE ADVANTAGE OF THIS
STEPPING STONE AND IN THE FUTURE EXPAND ITS BANKING
OPERATIONS IN PANAMA TO INCLUDE AN INTERNATIONAL LICENSE
WHICH WOULD PERMIT TRANSACTIONS THAT TAKE EFFECT OUTSIDE
OF PANAMA. THUS, CUBA COULD GRADUALLY EASE ITS WAY
ON TO THE PANAMANIAN BANKING SCENE, AVOIDING ANY LARGE-
SCALE EARLY COMMITMENT UNTIL THE WATERS HAVE BEEN WELL
TESTED.

JORDEN

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Message Attributes

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